

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, July 20, 2015

Board Members Present: Mayor Scott Avedisian; Stephen Durkee; Maureen Martin; Margaret Holland McDuff; Mark Susa; Director Peter Alviti; Stephanie Preston and Princess Bomba

Absent: None

Also Present: Raymond Studley, CEO; Benjamin Salzillo, In-House Legal; Christian Capizzo, Outside Counsel; Marie DiToro, Recording Secretary; and other members of RIPTA's staff, and members of the public whose names are on the sign-in sheet.

Agenda Item 1: **Board Approval of the June 22, 2015 Board Meeting Minutes**

Mr. Durkee makes a motion to approve the June 22, 2015 meeting minutes as presented. Ms. Martin seconds the motion and it passes unanimously.

Agenda Item 2: **Public Comment**

(Board members take public comments under advisement, but do not respond except for clarifications. Members may follow-up on public comments in writing post-meeting as permitted by applicable law.)

Mayor Avedisian welcomes Mr. Schiller to speak. Mr. Schiller states that he would like to say thank you for the opportunity to speak under public comment. He is here to read a statement from Don Rhodes, President of RIPTA Riders Alliance, and those that know him; he is recovering and will be home on Wednesday.

Mr. Schiller reads:

Good Afternoon, RIPTA Board, members of Team RIPTA, RIPTA Alliance members, any Press and any general public.

First, I would like to thank the reader for relaying my message of appreciation for all of you that sent thoughts of support during my heart attack and recovery. It was an interesting experience but not one that I would recommend. I don't know how I would have survived without Sharon, my wife and best friend, family and friends here that I consider family. Sharon and I are so appreciative for that support it's truly humbling. Hugs to all.

Second, the RIPTA Riders Alliance is opposed to any fare increase on any passengers at this time. Knowing that there is a deficit that must be addressed, the Alliance calls on RIPTA to make every effort to reduce the deficit through internal efficiencies and also by attracting new paying passengers; which will give us time to go to the General Assembly to advocate for sufficient funding. I know the alliance will make every effort to cooperate with RIPTA and all others in this process. The Riders Alliance also looks forward to fresh ideas from the new members of the Board.

~Don Rhodes

Mr. Schiller would like to add his personal comments that he agrees with Don's statement and he has long advocated efforts to improving ridership and he would like to say that RIPTA can't rely only on the small marketing department. He thinks every employee, every board member, all advocacy groups need to cooperate in promoting higher ridership that will help the deficit and with the political support that is needed in the Assembly.

Ms. Ele Felaco was welcomed to speak next. Ms. Felaco states that she apologizes for what the Providence Journal did to the letter she submitted. She apologizes that the letter she submitted was so long and when the editor had to cut things out, he cut the most important paragraph which was the reason for writing in the first place. It was regarding the multimillion dollar deficit RIPTA has to address. Evidently, this is due to the loss of revenue to Rite Care and the Board is suggesting closing the gap by charging the Medicaid passengers a fare to ride RIPTA. In the meantime, she was just trying to call irony to the multimillion dollar deficit and how it came about in the first place and she did a poor job and states that she is sorry. Thank you for your time.

Mr. Allen states that he just returned, and was a long time resident of Providence. He states the raising of the fares is quick minded. Cities are suffering and businesses and tourism should increase and he states that the raising of fares for any group of people is pragmatic.

Thank you.

Mr. Susa, member of the RIPTA Board of Directors is welcomed to speak next. He thought there would be a tour and open house of Kennedy Plaza during one of the community meetings held; he thinks there was a conversation during an Accessible Transportation Advisory Committee (ATAC) meeting on this. Thank you.

Mr. Cute on the transit union 618 is welcomed to speak next. He would like to start off discussing the editorial in the Journal regarding Woonsocket where a gentleman who is from a think tank from across the country categorized it as a social welfare city and it mentions RIPTA in the article. It states that RIPTA tailors the service on the first of the month toward the ridership that is dependent on social benefits. He states that is a false statement and should be rebutted through the Board in the paper as a fact. RIPTA does not treat Woonsocket residents any different than Pawtucket or Providence in regards to the service provided. Mr. Cute found it offensive that the person took umbrage with the fact that the people who work for companies that are not paid sustainable wages are forced on to social networks, like food stamps, and transportation to medical facilities because they do not make enough money. These are working people. They are working people and are dependent on RIPTA. RIPTA's role in the state of Rhode Island is a huge one and RIPTA is defined as the States Mobility Manager. RIPTA moves people on a daily basis. Ride Program, ADA, Fixed Route, Express and UPass are all different ways that RIPTA moves people around the state. It is offensive to him when people from outside the state put articles in the paper about RIPTA. Pawtucket people need jobs and access to the jobs and mass transit provides that service. Mr. Studley and his team work so hard to keep service on the road at affordable pricing. Mr. Cute went to the Fare Study meeting and find that there will be many options for the bus passenger. There are opportunities to change the fare system that will be fair. He thinks this is the main thing that the study is looking at and he has confidence in the company that came in to complete the study. He feels the Board should respond to this letter in the Journal. Thank you.

Mr. Rose is welcomed to speak next. He was at the meeting at Kennedy Plaza as well. He understands it was an experiment having it there, but he feels it did not work very well. There was no real room set up for people to ask questions, people just gathered in that crowded space and it ended up that four to five members of the public would gather around each RIPTA employee and asking that employee questions.

More importantly, at the other meetings, he wants the Board members to hear what happened at those meetings. The subject of an overall fare increase was brought up constantly at the meetings. Not changing the balance, however an increase of total overall fare revenue. A lot of people were opposed to that and were trying to argue against it; in particular people do not want a higher fare for low-income disabled and seniors. Unfortunately, every time people brought up those concerns they were told not to bring it up yet and it is a matter for months from now and there will be plenty of hearings prior to it. He does not think that is right because on the agenda today there is a vote on revising the current fiscal year budget and a budget for total fare revenue. Mr. Rose states that the policy change on low income fares was added to the state budget with no public hearings. He thinks there is a pattern that the public are not given enough opportunity to speak on these matters. He states as a result of these changes a lot of people will end up being shut in and will not be able to afford leaving their homes and thinks that there should be a lot of public comment on that and is upset that at these recent meetings that was not allowed. Mr. Rose states that the draft budget was approved by the finance committee last week and was forwarded to the Board for today. The draft budget calls for more than one half million dollars in extra fare revenue in the current year however that draft budget is still not available for the public and he does not think that is right. The finance meeting is open to the public and the finance committee decides to forward proposed budget to the Board and he does not like that proposed budget was forwarded to the Board a week ago and is being denied access to the public. He does not like this. RIPTA is doing a great service for the state and feels it is the most efficient way to get people to school and work. He wishes the state would help expand RIPTA services; however without these investments there is talk of fare increases and this would drastically impact the low income community. He is troubled that the Board will approve this budget with the extra fare revenue it will mean a lot of bad consequences for the state. He thinks it is important to tell people at the State House RIPTA needs more investment. He does not think the current year needs to be revised now and it can wait. He would like RIPTA to go back to the State House and ask for more money. Thank you

Mr. Allen is welcomed to speak again. He states that this will not save money because legal teams will fight this through the Americans with Disabilities Act and it will end up costing a lot more money. Thank you

Mr. McGee states that he is a retired employee of RIPTA. He agrees with what has been said here today. One point that is missing is there is a company here from St. Louis Missouri to improve the RIde program. He does not see that happening. Thank you.

Agenda Item 3: CEO Report

Mr. Studley states that the Fare Study Meetings were held and he thinks there is some confusion amongst the public. The Fare Study was a process that was held in a public forum and was approved by the Board to go to a State wide fare study. RIPTA is in the process of going through that. There were meetings last week with over 100 people in attendance with great discussions regarding the overall fare study. Many folks here are concerned about a fare increase obviously a fare study will handle different elements of the fare structure. One of the

main components RIPTA realized through public comment is the importance of going to Smart Card technology. When it gets to that point with the Capital Plan RIPTA will be able to offer a much wider variety of services. The public would like a reloadable card that they can use. The fare technology at RIPTA is older and there are a lot of things to figure out with implementing new technology. Making it compatible with MBTA needs to be thought out as well to have a single system.

That all being said, there was a lot of discussion about the senior/disabled program at these public meetings. Rhode Island is one of the only states that has an extremely generous program at this point in time where RIPTA offers free fare all day. The federal mandate requires, based on the mean test criteria that individuals should pay full fare during peak and half fare during off peak hours. RIPTA is looking to still have a generous program and asking for up to a half fare program be implemented. Part of the agenda today is to present to the Board the process that needs to happen for that budget amendment. That process involves the Administrative Procedures Act, there will be scheduled open meetings, 30-days of public discussion and RIPTA is mandated to follow the Secretary of State's guidelines for that change and will go through the process.

Mayor Avedisian asks for clarification that RIPTA is going through the fare study that will bring forth on whether or not there will be fare changes over the entire system and also the Administrative Procedures Act regarding the half fare legislation and also re-certify everyone who is in the bus pass program to begin with. Mr. Studley responds that there is an IT program to upgrade the system and clean it up to come into industry standards. So, yes there is a lot going on. Mayor Avedisian states that there are three separate things going on and there will be more than enough opportunity for public comment throughout all of these processes.

Mr. Durkee and Mayor Avedisian comment that any fare changes would go through the Administrative Procedures Act so there are plenty of opportunities for the public to comment.

Ms. Martin asked if there is a timeline for this process and Mr. Studley responds yes and he believes Ms. Pettine went through it in detail last month. The consultant will provide RIPTA with their suggestions and RIPTA will share that information with both the Board and the public a few more times before any final decisions are made.

Mr. Studley would like to give a quick update on the reauthorization. Federally the Senate is working on a six-year long-term Highway Trust Fund fix and the House has already proposed a six-month process that would fill the gaps that would cover RIPTA until the end of December.

Secretary Fox did send out an email that stated if there is no resolution at a national level that come August some of the drawdowns could start being affected. RIPTA is monitoring that very closely.

Mayor Avedisian asks how much RIPTA has set aside that RIPTA can draw on if needed and Ms. DiLauro responds she will have to check it. Mayor Avedisian states that cash flow would be okay for a 60-day shutdown and Ms. DiLauro responds yes so long as RIPTA can drawdown the funds.

Agenda Item 4: Authorization to Pursue Modifications to Reduced Fare Bus Pass Program

Mayor Avedisian welcomes Ms. Pettine and Mr. Salzillo up to speak next. Ms. Pettine states that there is a staff summary in the board packet on the reduced fare bus pass and today they are seeking the Board support or authorization to move forward with this process.

Ms. Pettine states that there are federal mandates around providing discounts to seniors and persons with disabilities. The federal mandate is during off peak hours (RIPTA peak hours are from 7-9 am and 3-6 pm) outside those peak hours elderly and persons with disabilities can ride half fare under the federal mandate. In the State of Rhode Island, up until the most recent change in the law, it stated that if a person met an income level, which is set at 200% of the poverty level (that is set by Department of Elderly Affairs), he/she could ride for free all day.

Ms. Pettine states that Rhode Island's new law allows RIPTA to charge up to a half fare for previous pass holders that have been riding for free. She states that this does not change other state programs around subsidies for transportation. Everyone has heard of Logisticare, who is managing transportation for DHS, a portion of what Logisticare does is also to provide people who qualify for Medicaid non-emergency medical transportation. So many people ride the system with either monthly passes or RipTiks sent to them by Logisticare (this is the previous Rhody 10 program) if they qualify under the state's medical transportation program and this will not change regardless of what RIPTA does. There is an entire list of needs/programs covered and RIPTA would like to see more people travel under this program.

Mr. Studley states that CMS (Center for Medicaid/Medicare Services) policy states that a person must exhaust all other transportation before they would provide the person with that trip and when CMS does provide it will be the least costly option. Prior to Logisticare and because RIPTA offered a free pass all day, people do not realize that they could get reimbursed for their trips and they could qualify through Medicaid.

Ms. Pettine states that there was the change in state law to bring about additional revenue to RIPTA; however it is to also bring RIPTA more in line with its peers. There was a peer review and RIPTA is an outlier and even with the current change in the law RIPTA is still far more generous than other states.

Ms. Pettine states she has some quick statistics about the overall program use. In FY15 5.4 million rides on the system were in this program that is 29% of the FY15 ridership. Less than 1 % of riders are using the half fare program which is approximately 13,000 trips.

Mayor Avedisian asks if Ms. Pettine has an idea of how many trips could be classified under Logisticare and Ms. Pettine states that they only know what CMS informed them when they did an audit of Rhody 10 a few years ago and also the rider survey that was done during the COA where they asked trip purpose and majority people were going to work, however medical trips was bundled with other items and she can gather that information and provide it to the Board.

Ms. Pettine states that there were a lot of pass holders at the meetings last week and a big concern was being able to get to doctor appointments.

On the free service 83% of fare trips are made by the disabled; where on the half fare, of the 13,000 trips 93% were senior citizens. When compared to the overall ridership, in the peak hours it is roughly 1 in 4 riders and in the off peak it jumps to 1 in 3 riders.

The growth of the program occurred following Logisticare changing how people enroll into that program and Logisticare being aware of Rhode Island's generous subsidy they encouraged people to apply to the program. When Logisticare took over non-emergency medical transportation last December RIPTA saw enrollment in their program jump 87%.

Mayor Avedisian clarifies that Logisticare was taking people off of the Medicaid reimbursement trips and putting them on the free bus pass program, Ms. Pettine responds that is correct.

Director Alviti asks Ms. Pettine what is the total amount of additional revenue that RIPTA expects to receive as a result of this change. Ms. Pettine states that they tried to develop an elasticity model and it is difficult to go from zero to something and RIPTA does not know trip purposes. Ms. Pettine states that if she had to give a ballpark number it could be somewhere

between 1-3 million. Director Alviti asks her what portion of that would be covered by other programs. Mr. Studley states that the only sample data RIPTA has is from OHHS of the CMS audit of the Rhody 10 program a few years ago. It stated that between 3.7-4.5 of those Rhody 10 passes were being used in program where it is subsidized. Taking that data 30-45% of the time using fixed route buses for a reimbursable purpose. That would be revenue that RIPTA would get from Logisticare.

Ms. Pettine states that the majority of people who qualify for the senior/disabled free bus pass program would most likely qualify for reimbursement program for their medical trips.

Mayor Avedisian states that with a new automated ticket system RIPTA could create fare product that would be ideal for individuals who may only need a one day pass. Ms. Pettine and Mr. Studley state getting on a smart card system would be ideal.

Mayor Avedisian asks if the technology is there yet to get pictures on the card and Ms. Pettine responds the fare boxes RIPTA has are not there yet and RIPTA would need to look at the best way to handle fraud prevention. Ms. Pettine states that the fare boxes have the technology now to be programmed to change fare fees based off of peak and off peak times.

Ms. Bomba asks does the estimated projection take into account the real possibility of decreased in ridership and Ms. Pettine responds yes it does and she is greatly assuming that.

Ms. Bomba asks if the benchmark states that RIPTA looked at show an increase or a decrease and Ms. Pettine responds that she does not actually know of any studies that show the change from free to some sort of fare payment. Everyone is a variation on the theme, everyone follows federal requirements, but then variations occur. The more generous programs are funded by a third party. RIPTA's program is unique in that it is extremely generous and does not get properly subsidized.

Mayor Avedisian asked if it has been resolved that the Gas Tax money comes directly to RIPTA instead of through the Department of Elderly Affairs and Mr. Studley responds that it looks like it will remain the same for another year. Ms. DiLauro responds that the legislation to change that did not go through this year.

Ms. Pettine continues to go through statistics and states that any fare changes would be carefully evaluated and use any data they can and bring all this information back to the Board.

Ms. Pettine states that they are looking at potential fare change given the change in state law, looking at the term that a pass is valid for, currently it is for five years, how to go about getting new or replacement cards, how income verification is done, age and disability certification, intake process and looking to make process improvements where they can through the Administrative Procedures Act.

The timeline is that they are before the Board today to get authorization to begin this process. Then they will submit to the Secretary of State under the Administrative Procedures Act going forward. Then back to the Board with a more comprehensive plan. They would go before the ATAC Committee and hold public hearings to get public feedback and that would come back before the Board to approve any changes, then the Secretary of State will get the Board decision and then they have 30 days to get back to RIPTA and if they approve this process then RIPTA will need to wait an additional twenty (20) days before anything can be implemented. So, to put peoples' fears to ease nothing would change prior to January due to the timeline and this would give them plenty of opportunity to provide their feedback.

Mayor Avedisian states that RIPTA staff will come back before the Board again with a more detailed plan and the public will have plenty of opportunity for public comment that will happen in all of the different entities and venues.

Mr. Durkee states that RIPTA staff will have to make sure to do a really comprehensive analysis of all fare products and Ms. Pettine responds that is happening as well.

Mr. Durkee makes a motion to authorize pursuit of potential modifications to reduced fair bus program. Ms. Preston seconds the motion and it passes unanimously.

Agenda Item 5: FY 16 Revised Operating Budget

Ms. DiLauro states that she would like to introduce the new Director of Accounting, Paul Dilorio. He is new to the position; however he has been the accounting manager and senior accountant before that for the past nine years. She is really excited to have him on board.

Ms. DiLauro states that they are here to discuss the revised FY16 budget and wanted to make clear that this is process that happens every year throughout the State Government and Quasi agencies. Every October they submit a budget for the current year and then the out year. Then they get a second chance to revise that budget and that is what today's agenda item is about.

The overall deficit for FY 16 is now \$812,327 and the original deficit for FY16 was \$2.1 million which included the Debt Service. The State has agreed to cover the Debt Service for FY 16 so that is not included in the revised FY16 deficit. From the time this was submitted to the Board last year the Logisticare issue arose and that dropped the projected revenue by \$5.9 million which is a huge hit for RIPTA. Ms. DiLauro states that Mr. Studley and Mayor Avedisian spent a lot of time rallying for additional revenue for RIPTA. The General Assembly was very generous to RIPTA and gave RIPTA \$2 million in general revenue as a onetime help to come out of this hole and also gave \$1.7 million to cover the debt service and also the half fare legislation as discussed earlier. Ms. DiLauro states that they did incorporate \$1.75 million into the budget for those potential revenues. \$2.7 million in the new highway maintenance fund and this was budgeted in the original FY 16 budget summated last year. The Gas Tax revenue has been very positively impacted by the lower gas prices and the official state estimated is up about \$2.5 million.

Unfortunately, Paratransit has been affected by Logisticare change which is causing impacts on both the Paratransit and Fixed route side. The Rite Care impact was \$5.9 million. There is a constant decline in Logisticare rides so that has impacted the revenues. As those collections fall they are being used to match the purchase of Paratransit vans and support the centralized maintenance program.

This year there are 53 payroll weeks instead of 52 weeks which would amount to about one million. Ms. DiLauro states that the total number of employees is the same as predicted last year at 817; however there has been a shift of the employees.

Ms. DiLauro states that \$350,000 was added for Providence Schools changing to a 2-mile walking distance. Mr. Studley states that they are in the process trying to purchase ten more buses in order to accommodate this change.

Ms. DiLauro states that they started the 2009 bus campaign and half the fleet was suppose to happen last year and it did not happen so the entire 2009 will occur in 2016 and this raised expenses by half a million dollars.

Ms. Preston makes a motion to adopt the amended FY 16 budget. Mr. Durkee seconds the motion and it passes unanimously.

Agenda Item 6: IFB 15-20 Radiator Repair & Recore Services

Mr. McGrane states that they are requesting the Board of Directors to award a contract to Brooklyn General Repair, Inc (BGR) to provide Radiator Repair and Recore Services for RIPTA's bus fleet. The estimated cost of this contract, based upon historical and projected usage is \$89,600. This is a one year contract with four (4) annual renewals at the discretion of the Authority.

The invitation to bid was issued on May 27, 2015. Pre-bid meeting was held on June 11, 2015. Bids were received on July 1, 2015. The IFB was advertised via electronic media. Two companies submitted bid responses; BGR Radiator of Plainfield, CT and Roger's Radiator of Medford, MA. Roger's Radiator bid deemed non responsive due to the fact that they did not submit the required price information for all required items. RIPTA Procurement Staff conducted a single bid analysis of the BGR bid and their bid prices were deemed fair and reasonable.

The award is necessary to insure that the Authority has a vendor available to perform these services in a manner to insure that factory warranties are maintained on the engines and transmissions. The project is funded by a combination of FTA Grants and RIPTA Operating Funds.

Mr. Durkee asks if RIPTA has worked with them in the past and was it successful and Mr. McGrane responds yes and maintenance department is pleased with this vendor.

Mr. Durkee makes a motion to award the contract. Director Alviti seconds the motion and it passes unanimously.

Agenda Item 7: IFB 15-24 Newport Data Closet

Mr. McGrane states that they are requesting the Board of Directors award a contract to Tower Construction of Warwick, RI to build and install a Data Closet in the Newport Facility. The cost of this contract is as follows: Bid Price: \$86,400, 15 percent Construction Contingency: \$12,960, for a total project cost of \$99,360.

The bid was issued June 1, 2015, a pre-bid meeting was held June 19, 2015. Bids were received on July 9, 2015. The bid was publically advertised via the electronic media. Two companies Heroica's Painting of Providence, RI and Tower Construction of Warwick, RI submitted bid responses. Tower Construction was the lowest responsible, responsive bidder.

The project is needed to separate the servers from the money room in Newport. This was a recommendation, cited by the FTA, in a recent audit.

Funding for this project is from Grant RI90x-60.

Ms. Martin makes a motion to award the contract as presented today. Ms. Holland McDuff seconds the motion and it passes unanimously.

Agenda Item 8: **Adjournment**

Mayor Avedisian states that in the Board packet was a copy of the FY16 Capital Budget submitted to the State and a letter from Bacon & Company, with their scope of services for the past Fiscal year audit.

Mr. Durkee states that he notices the purchases of buses and would like to know if the new buses will have proper specifications to sync with ATMS. Mr. Tierney responds that they went with the full install package and once the buses are on the property the system will just have to be set up.

Mr. Durkee makes a motion to adjourn the meeting. Ms. Holland McDuff seconds the motion and it passes unanimously.

Respectfully submitted,

Marie DiToro
Recording Secretary